

 PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) 08-30-08  
**FARM AND RANCH CONTRACT**

1. **PARTIES:** The parties to this contract are Shawn K. Brown Trustee Raynes Property  
(Seller) and Samuel O. Henshaw and/or his assigns (Buyer). Seller agrees to  
sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. **PROPERTY:** The land, improvements, accessories and crops are collectively referred to as the  
"Property".

A. **LAND:** The land situated in the County of Baskett, Texas,  
described as follows: H&TC BLM 45 SEC. 140 and 138, 126.69 Acres + - and 30'  
sewerage cut of SEC. 140 BLM 45  
or as described on attached exhibit, also known as 126.69 Acres + -,  
(address/zip code), together with all rights, privileges, and appurtenances pertaining thereto,  
including but not limited to: water rights, claims, permits, strips and gores, easements, and  
cooperative or association memberships.

B. **IMPROVEMENTS:**

(1) **FARM AND RANCH IMPROVEMENTS:** The following permanently installed and built-in  
items, if any: windmills, tanks, barns, pens, fences, gates, sheds, outbuildings, and  
corners.

(2) **RESIDENTIAL IMPROVEMENTS:** The house, garage, and all other fixtures and  
improvements attached to the above-described real property, including without limitation,  
the following permanently installed and built-in items, if any: all equipment and  
appliances, valences, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling  
fans, attic fans, mail boxes, television antennas and satellite dish system and equipment,  
heating and air-conditioning units, security and fire detection equipment, wiring, plumbing  
and lighting fixtures, chandeliers, water softener system, kitchen equipment, garage door  
openers, cleaning equipment, shrubbery, landscaping, outdoor cooking equipment, and all  
other property owned by Seller and attached to the above described real property.

C. **ACCESSORIES:**

(1) **FARM AND RANCH ACCESSORIES:** The following described related accessories: (check  
boxes of conveyed accessories) ☐ portable buildings ☐ hunting blinds ☐ game feeders  
☐ livestock feeders and troughs ☐ irrigation equipment ☐ fuel tanks ☐ submersible  
pumps ☐ pressure tanks ☐ ponds ☐ gates ☐ chutes ☐ other: \_\_\_\_\_

(2) **RESIDENTIAL ACCESSORIES:** The following described related accessories, if any: window  
air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades,  
draperies and rods, controls for satellite dish system, controls for garage door openers,  
entry gate controls, door keys, mailbox keys, above ground pool, swimming pool  
equipment and maintenance accessories, and artificial fireplace logs.

D. **CROPS:** Unless otherwise agreed in writing, Seller has the right to harvest all growing crops  
until delivery of possession of the Property.

E. **EXCLUSIONS:** The following improvements, accessories, and crops will be retained by  
Seller and must be removed prior to delivery of possession: None

F. **RESERVATIONS:** Seller reserves the following mineral, water, royalty, timber, or other  
interests: None including wind

3. **SALES PRICE:**

A. Cash portion of Sales Price payable by Buyer at closing ..... \$ 74,747.10

B. Sum of all financing described below (excluding any loan funding  
fee or mortgage insurance premium) ..... \$ 74,747.10

C. Sales Price (Sum of A and B) ..... \$ 74,747.10

D. The Sales Price ☐ will ☒ will not be adjusted based on the survey required by Paragraph 6C.  
If the Sales Price is adjusted, the Sales Price will be calculated on the basis of \$  
per acre. If the Sales Price is adjusted by more than 10%, either party may terminate this  
contract by providing written notice to the other party within 0 days after the  
terminating party receives the survey. If neither party terminates this contract or if the  
variance is 10% or less, the adjustment will be made to the amount in ☐ 3A ☐ 3B  
☐ proportionately to 3A and 3B.

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http://www.texasmetusa.com/texas/haskell/haskelldetail.php?i\_search\_form\_basket=&where... 12/13/2009

126.69 Acres + -, HSTC BLK 45 SEC. 140 and 139, Page 2 of 9 05-30-08  
126.69 Acres + - and 30' easement out of S  
(Address of Property)

Contract Concerning

4. FINANCING: The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)

☐ A. THIRD PARTY FINANCING: One or more third party mortgage loans in the total amount of \$ (excluding any loan funding fee or mortgage insurance premium).

(1) Property Approval: If the Property does not satisfy the lenders' underwriting requirements for the loan(s), this contract will terminate and the earnest money will be refunded to Buyer.

(2) Financing Approval: (Check one box only)

☐ (a) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Condition Addendum.

☐ (b) This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.

☐ B. ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached TREC Loan Assumption Addendum.

☐ C. SELLER FINANCING: A promissory note from Buyer to Seller of \$ secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgage policy of title insurance.

5. EARNEST MONEY: Upon execution of this contract by both parties, Buyer shall deposit \$500.00 as earnest money with Dulaney Abstract as escrow agent, at 310 N. 1st Haskell Texas 79521 (address). Buyer shall deposit additional earnest money of \$ with escrow agent within 0 days after the effective date of this contract. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.

6. TITLE POLICY AND SURVEY:

A. TITLE POLICY: Seller shall furnish to Buyer at ☒ Seller's ☐ Buyer's expense an owner policy of title insurance (Title Policy) issued by: Dulaney Abstract (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

(1) The standard printed exception for standby fees, taxes and assessments.

(2) Liens created as part of the financing described in Paragraph 4.

(3) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.

(4) The standard printed exception as to marital rights.

(5) The standard printed exception as to waters, tidelands, beaches, streams, and related matters.

(6) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements. Buyer, at Buyer's expense, may have the exception amended to read, "shortages in area".

B. COMMITMENT: Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days of the Closing Date, whichever is earlier.

C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and any lender. (Check one box only):

☐ (1) Within 0 days after the effective date of this contract, Seller shall furnish to Buyer and Title Company Seller's existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (Affidavit). The existing survey ☐ will ☐ will not be re-certified to a date subsequent to the effective date of this contract at the expense of ☐ Buyer ☐ Seller. If the existing survey is not approved by the Title Company or Buyer's lender(s), a new survey will be obtained at the expense of ☐ Buyer ☐ Seller no later than 3 days prior to Closing Date. If Seller fails to furnish the existing survey or Affidavit within the time prescribed, Buyer shall obtain a new survey at Seller's expense no later than 3 days prior to Closing Date.

☐ (2) Within 0 days after the effective date of this contract, Buyer shall obtain a new survey at Buyer's expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.

☐ (3) Within 0 days after the effective date of this contract, Seller, at Seller's expense shall furnish a new survey to Buyer.

☐ (4) No survey is required.

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Sam Hartschew

There is no sketch data available for this parcel.

126.69 Acres + - , , HETC BIX 45 SEC, 140 and  
Contract Concerning 138, 126.69 Acres + - and 30' easement out of S Page 3 of 9 06-30-08  
(Address of Property)

D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title disclosed on the survey other than items BA(1) through (6) above; or disclosed in the Commitment other than items BA(1) through (6) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity:  
any Ag. Use

Buyer must object the earlier (i) the Closing Date or (ii) 9 days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived. Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured within such 15 day period, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer waives the objections.

E. EXCEPTION DOCUMENTS: Prior to the execution of the contract, Seller has provided Buyer with copies of the Exception Documents listed below or on the attached exhibit. Matters reflected in the Exception Documents listed below or on the attached exhibit will be permitted exceptions in the Title Policy and will not be a basis for objection to title:

Document	Date	Recording Reference

F. SURFACE LEASES: Prior to the execution of the contract, Seller has provided Buyer with copies of written leases and given notice of oral leases (Leases) listed below or on the attached exhibit. The following Leases will be permitted exceptions in the Title Policy and will not be a basis for objection to title: None

G. TITLE NOTICES:

- (1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (3) TIDE WATERS: If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.
- (4) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (5) PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER: Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the

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126.69 Acres + . . . H&C BLK 45 SEC. 140 and  
138, 126.69 Acres + . . . and 30' easement out of S  
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properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.

(6) PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, §5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this parcel of real property you are obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372, Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Your failure to pay the assessments could result in a lien on and the foreclosure of your property.

(7) TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property ☐ is ☐ is not located in a Texas Agricultural Development District. For additional information contact the Texas Department of Agriculture.

7. PROPERTY CONDITION:

A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections. Seller at Seller's expense shall turn on existing utilities for inspections.  
NOTICE: Buyer should determine the availability of utilities to the Property suitable to satisfy Buyer's needs.

B. SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, TEXAS PROPERTY CODE (Notice):  
(Check one box only)

☐ (1) Buyer has received the Notice

☐ (2) Buyer has not received the Notice. Within \_\_\_\_\_ days after the effective date of this contract, Seller shall deliver the Notice to Buyer. If Buyer does not receive the Notice, Buyer may terminate this contract at any time prior to the closing and the earnest money will be refunded to Buyer. If Seller delivers the Notice, Buyer may terminate this contract for any reason within 7 days after Buyer receives the Notice or prior to the closing, whichever first occurs, and the earnest money will be refunded to Buyer.

☐ (3) The Texas Property Code does not require this Seller to furnish the Notice.

C. SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS is required by Federal law for a residential dwelling constructed prior to 1978.

D. ACCEPTANCE OF PROPERTY CONDITION: (Check one box only)

☐ (1) Buyer accepts this Property in its present condition.

☐ (2) Buyer accepts the Property in its present condition provided Seller, at Seller's expense, shall complete the following specific repairs and treatments: \_\_\_\_\_

E. COMPLETION OF REPAIRS: Unless otherwise agreed in writing, Seller shall complete all agreed repairs prior to the Closing Date. All required permits must be obtained, and repairs must be performed by persons who are licensed or otherwise permitted by law to provide such repairs. At Buyer's election, any transferable warranties received by Seller with respect to the repairs will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs prior to the Closing Date, Buyer may do so and receive reimbursement from Seller at closing. The Closing Date will be extended up to 15 days, if necessary, to complete repairs.

F. LENDER REQUIRED REPAIRS AND TREATMENTS: Unless otherwise agreed in writing, neither party is obligated to pay for lender required repairs, which includes treatment for wood destroying insects. If the parties do not agree to pay for the lender required repairs or treatments, this contract will terminate and the earnest money will be refunded to Buyer. If the cost of lender required repairs and treatments exceeds 5% of the Sales Price, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

G. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

H. SELLER'S DISCLOSURES: Except as otherwise disclosed in this contract, Seller has no knowledge of the following:

(1) any flooding of the Property which has had a material adverse effect on the use of the Property;

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126.69 Acres + - - REC BLK 45 SEC. 140 and  
138. 126.69 Acres + - and 30' easement out of S Page 5 of 9 08-30-08

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(2) any pending or threatened litigation, condemnation, or special assessment affecting the Property;

(3) any environmental hazards or conditions materially affecting the Property;

(4) any dumpsite, landfill, or underground tanks or containers now or previously located on the Property;

(5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or

(6) any threatened or endangered species or their habitat affecting the Property.

I. **RESIDENTIAL SERVICE CONTRACTS:** Buyer may purchase a residential service contract from a residential service company licensed by TREC. If Buyer purchases a residential service contract, Seller shall reimburse Buyer at closing for the cost of the residential service contract in an amount not exceeding \$\_\_\_\_\_. Buyer should review any residential service contract for the scope of coverage, exclusions and limitations. The purchase of a residential service contract is optional. Similar coverage may be purchased from various companies authorized to do business in Texas.

J. **GOVERNMENT PROGRAMS:** The Property is subject to the governmental programs listed below or on the attached exhibit: none  
Seller shall provide Buyer with copies of all governmental program agreements. Any allocation or proration of payment under governmental programs is made by separate agreement between the parties which will survive closing.

K. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

L. **CLOSING:** Fifteen days after Bankruptcy Court Approval,

A. The closing of the sale will be on or before December 23, 2009, or within 7 days after objections made under Paragraph 6D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

(1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6, an assignment of Leases, and furnish tax statements or certificates showing no delinquent taxes on the Property.

(2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.

(3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents required of them by this contract, the Commitment or law necessary for the closing of the sale and the issuance of the Title Policy.

(4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.

10. **POSSESSION:** Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted. ☒ upon closing and funding ☐ according to a temporary residential lease form promulgated by TREC or other written lease required by the parties. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. Consult your insurance agent prior to change of ownership and possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.

11. **SPECIAL PROVISIONS:** (Insert only factual statements and business details applicable to the sale. TREC rules prohibit licensees from adding factual statements or business details for which a contract addendum or other form has been promulgated by TREC for mandatory use.)

Bankruptcy Court Provisions (SH)

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